

A  
LETTER

TO A

MEMBER of PARLIAMENT,

Concerning the

*South Sea Company &c*

South-Sea Company:

WITH

PROPOSALS

For Settling a CERTAIN

ANNUAL DIVIDEND.

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*By a Well-wisher of his* COUNTRY.

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L O N D O N :

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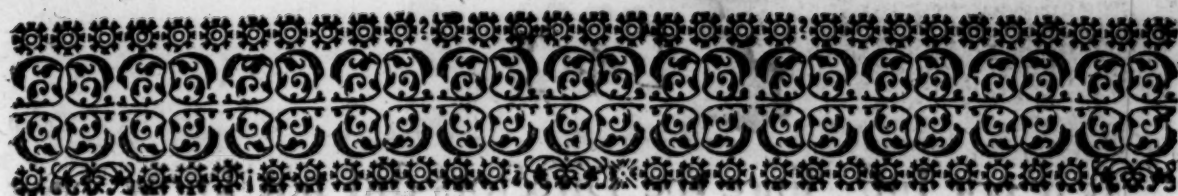
By a Well-wisher of his Country

1701

LONDON:

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A  
**L E T T E R**  
T O A  
**Member of Parliament, &c.**

**S I R,**



Several Gentlemen having shewn the Abuses put upon the Nation by the *South-Sea* Company, but none proposing a Remedy to settle Peoples Minds; I shall offer my private Opinion: And since, by the best Calculations, it appears, That *South-Sea* Stock is about 200 *l.* for every 100 *l.* Stock, suppose the First Subscription be for the 150 *l.* paid in, called 75 *l.* Capital Stock, and upon the Second Subscription 80 *l.* paid in, be called 40 *l.* Stock, on the Third Subscription the 100 *l.* paid in, be called 50 *l.* Stock, on the Fourth Subscription the 200 *l.* paid in, be called 100 *l.* Stock; and that each Person have Credit in the Books of the Company for the same, as above: For, 'till these Subscriptions are made Stock, that the Calls for more Money may cease, there can be no Easiness on Peoples Minds; and 'till Mens Spirits are quieted, there will be no driving any Trade, but a further running into Confusion.



Is it not Just, since the Directors did not know how to put any Bounds to their own Covetousness, that the Supreme Power should restrain their Extravagancies by reducing all their Additional Stock to 200 *l.* for every 100 *l.* Stock?

And as for the *Long Annuities* first subscribed or delivered up, to have their 700 *l.* Stock reduced to 200 *l.* *per Cent.* that will make 1400 *l.* Value in Stock, besides the Dividend 140 *l.*; and they have been paid in Bonds 575 *l.* making in all 2115 *l.* for each 100 *l.* *per Annum*: No bad Price, considering that some of them were purchased at 1200 *l.* and the Government had, at most, but 1600 *l.* for the said 100 *l.* *per Annum*. Before I leave these *Unredeemables*, as they have been termed, I must make some Reflexions on them, as the Occasion of all our present Calamities, and then consider, What Reason the Proprietors of them had to be so Tenacious; and if the great Zeal they have shewn for their Private Interest, be any Mark of Love for their Country.

If I have been rightly informed, an Honourable Person, some Years since, proposed a fair and honest Scheme for paying off all the Debts of the Nation, by a gradual Sinking of Interest, and the Savings, by Degrees, to pay off the several Old Debts; and for every Year's new Expences, to raise it Annually, and what fell short, to be added as a Charge for the next Year. But if this just Method had been pursued, some People had not got the  
Estates



Estates they have done, so much to the Prejudice of Trade and the Ruin of Thousands of Families in this Nation, as hath lately appeared : And it is very surprizing to hear the *Annuitants* pretend an Advantage of what was formerly complained of ; viz. That their Debt was a Sinking Fund, so that every Year they were growing less and less, which now to alter, was such a Disadvantage to them, that it was termed a Violating of Parliamentary Securities, and Destroying Credit ; tho' it was proposed to allow them 1750 *l.* at 5 *l. per Cent.* or 1900 *l.* at 4 *l. per Cent.* to be paid Principal and Interest for about Four Fifths of the Time their *Annuities* were first granted, and they paid 1600 *l.* at most, Four Fifths of which amount to but 1280 *l.* : So that, notwithstanding the great Clamours against this Scheme, here was proposed a considerable Advance on them, for altering their Sinking Fund to a Fund of Principal and Interest ; and it was thought some Gentlemen who shewed the most Uneasiness, had bought them at 1200 *l.* Four Fifths of which amount to but 960 *l.* I will suppose the Parliament should have gone on without these Gentlemens Consents, I think I have shewen, they had been great Gainers by the Necessities of former Times.

I shall now consider their Zeal for the Publick, by inquiring, What the *Landed Interest* have paid since the *Revolution* : And as sometimes they were charged with 4 *s.* sometimes 3 *s.* and sometimes but 2 *s.* in the *Pound*, I cannot reckon that they have paid less than 5 *l.* on every 20 *l.* of the Value of their Lands, which, esteeming  
Land

Land at 20 Years Purchase, is One Fourth Part ; so that 100 *l. per Annum*, valued at 2000 *l.* hath paid 500 *l.* in Taxes. And what have the *Annuitants* paid ? Even Nothing ; for they were to be Tax-free : And can it be supposed, they were to be so for any longer Time than the then War, which to carry on, and secure the Land, it was borrowed ? So that to the Charge of the *Rebellion*, and all *subsequent Wars*, if the Parliament had so judged it, they were liable to pay Taxes, as well as the Land ; being both alike secured from the Dangers threatned. But did their Zeal shew any such Disposition ? No ! the *Landed Interest* only, was Taxed to secure Themselves and the *Annuitants* in their Income : And now, as a further Mark of their Zeal for the Publick, some, it is said, have expected, that the Land should still be burthened with Taxes to make good the Notional extravagant Price the *South-Sea* Stock would some Time since (if they might have had the Disposal of it) have render'd them for their *Annuities*.

As for the Remainder of the *Long Annuities*, I propose, They should be taken in on the same Terms the First were taken in at : And as for the *Short Annuities*, *Lottery Annuities*, and all the unsatisfied *Redeemable Debts* ; for which the Directors would have had the Proprietors of them been contented to have taken their Stock at the Rate of 800 *l.* and since at 400 *l.* for 100 *l.* Stock ; I am for reducing that extravagant Value put on the Company's Stock, to 200 *l.* But then, how the Government shall be paid the Money stipulated to be paid by  
the



the *South-Sea* Company, for giving of them this good Bargain; and how to raise an Interest for paying Annually to every Proprietor on the Foot of 200 *l.* for 100 *l.* Stock; is what I shall next propose.

I. That an Account be taken upon Oath of all Money given out for Account of the Directors, or Others, by way of having *South-Sea* Stock at 120 *l.* at 200 *l.* and so on, at any Price whatsoever, and the Times when; and the Sums of Money paid for Differences of such Contracts, and to whom; that the Profits arising thereby may be ascertained.

II. That an Account be taken upon Oath of each Director, and of each Servant of the *South-Sea* Company, What was kept by them; or either, or any of them, or for their, or either, or any of their Use, Behoof, or Benefit, and in what Name in each and every Subscription; what such Share or Shares sold for, and the Profits arising by such unfair Practices; and what Shares have been made void since the Fall of Stock.

III. It hath been rumoured, as if the Stock which was transferred to the Order of the Directors, as a Security for the 400 *l. per Cent.* lent by them, and to some 500 *l.* to others 600 *l.* to 800 *l. per Cent.* (the better to inable them to buy the Managed Stock, by Virtue of an Order from the General Court or Directors) on Stock; hath been privately transferred to Brokers or Others, to sell out when Stock was at a high Price, they suspecting a Fall,



Fall, well knowing the Mischiefs that were hatching; and hath since the Fall been re-plac'd. If this be true, I beg Leave to ask this Question, Who is to have the Profit? If this had been done by an Executor or single Trustee, a Court of Equity would have obliged them to account to them whose Stock had been so managed; and can it be reckoned a Hardship on the Directors, if the Legislative Power should call Them and their Servants to account for the same; and to pay the Money gained thereby, to make good to the Company the Money lent thereon? and what shall fall short, that the Directors and their Servants, who, since *November, 1719.* have amassed great Estates, (altho' the Stock they then had remains still in their Names) be assessed, to make good the remaining Deficiency, if any?

IV. That all Brokers, Agents in Stocks, and their Books, be examined, to see what they have transacted, and what Money they have given out, and for whose Account, for Refusal of Stock; and what *South-Sea* Stock they have bought or sold, and for whose Account, and the Profits made thereby.

That the better to have these Evil Practices detected, a Law be made, That the Directors, their Servants, Brokers, and Others, shall all be liable to give Account upon Oath to the Four foregoing Articles, as in Cases of *Bankruptcy*, and be liable to the same Fines, Forfeitures and Penalties as *Bankrupts* are, who shall refuse to make Oath, and upon making Oath, that shall conceal any  
Part

Part thereof. For unless some such like Law be made, the late villainous Practices will be continued, by seeming as if encouraged by the not punishing the present Actors, or inquiring who they are. I own, this may seem hard : But shall a Nation be brought to the Brink of Ruin by a Covetous Set of People, acting in Defiance of all Honour and Honesty, without any Regard to Widows and Orphans ; and amass great Riches to themselves, and not refund a Part by way of Atonement ! It hath been reported, as if some of these vertuous Directors have declared a Gentlewoman with but a Thousand Pounds Fortune, was only fit to go to Service : And, that they might make good their Assertions, they have brought many a Young Lady of Five Thousand Pounds Fortune, to be worth not Five Hundred Pounds ; and of One Thousand Pounds, not to be worth One Hundred Pounds ; and shall these Men have such Compassion shewed them, as to pay nothing for their Insolencies ! Who, to gluttonize, have erected several Clubs, and one of them had raised a Stock of 14000 *l.* that they might Eat nice, whilst others, who had Estates, and they have now ruined, may perish with Hunger, or go to Service.

As for the Money lent upon Stock, I think, I have found a Fund may answer what will fall short of 400 *l.* lent on each 100 *l.* by Order of the General Court ; and as to what more was lent, those that lent it ought to make it good : And if a strict Inquiry be made of what Money was given out for the Refusal of Stock, and what



was made by the Directors, their Servants and Agents, on Subscriptions sold for their Benefits, there will be many Millions of Money discovered, sufficient to pay the Government, and to secure a Sum, with some small Additions, that may ascertain an Annual Income to those concerned in their Stock. For Seven or Eight *South-Sea* Men, have been esteemed Million Men; and Three or Four of Them, to be Million and half Men, or more; and that since *Christmas* last: For some of them were for buying Half Counties, others Whole Hundreds; and not less than Ten Thousand Pounds *per Annum* in a County, could content their little *Clerks*, and *Coffee-Man*, tho' now they justly fear the Censure of Parliament, for not observing any one Rule in the *Act of their Settlement*; and so cry, They have got Nothing. But Gentlemen cannot forget, it being so lately, that scarce a County in *England*, but some of these Upstarts, by Themselves or Agents, were for Purchasing at any Rate, Land-Estates, to turn the ancient Gentry out of their Countries, for these to be made Lords.

I propose further, as an Addition to the Fund for paying the Interest, That 2 *l. per Cent.* be laid on the Price of all Stock to be sold from *Christmas* next, and all that *South-Sea* Stock shall sell for at any Time during their Continuance, from *Christmas* next, over and above 2  $\frac{1}{2}$  *l. per Cent.*; that one Moiety of what it shall so sell for, more than 2  $\frac{1}{2}$  *l.* shall be paid to the Company, and



and carried to the Accompt of Profit, to ascertain and keep up the Dividends.

The Money they will have in their Hands, when the foregoing Methods have been pursued, with the Revenues which they Weekly receive from the *Exchequer*, they may improve, by lending Money on Stock; but not above 100 *l.* for every 200 *l.* Capital Stock: Which will be an Addition towards paying Interest.

That their Stock which shall be unsubscribed, shall remain; and so much only shall be sold every half Year, as to make up the Profits made by the Company, and Interest from the *Exchequer*, 5 *l.* for every 200 *l.* Capital Stock, over and above *l.* for Management, 'till such Time as the Whole shall be disposed of.

If what I have proposed be not thought a secure Method for fixing an Income, or Dividend, to be Annually paid to the Proprietors of the *South-Sea* Stock, I hope some other Person will more plainly demonstrate what other Way (without burthening Land) will ascertain an Interest to the Price they propose to value Stock at. For as to the late, I know not what to call it, Solemn Declaration, in a General Court, of dividing not less than 50 *l. per Cent. per Annum*, and that for Twelve Years certain, I fear, hath so distressed, as well as deceived People, that few will give Credit to what the Directors of the *South-Sea* shall hereafter offer; for is it not the certain Dividends in Money which the

*East-India* Company, and the *Bank* make, that give those Stocks the Reputation to sell so far above *Par*, as Interest (by Plenty and quiet Times) is reduced? For when any Disorders happen, or Runs for Money, then Interest or Premiums for Money rises, and the Stocks fall, 'till Peoples Minds and Circumstances are easy, and then they rise again. But here have been such Scenes of I know not what Name to give them, that nothing but a coercive Power to settle the Dividends, can, in my Opinion, ever give this Stock any Reputation.

Some Gentlemen may think this Paper ill-timed, and that several Persons will go beyond the Seas to prevent Examination, and the Discovery of their Estates. Those who fly from Justice, our Laws esteem Guilty of the Crimes they are suspected of, and so by a short *Bill* in Parliament (of which you have Precedents) they may be obliged to return by a Day prefixed, or that their Estates shall be forfeited, as in Cases of Treason; which is a sufficient Remedy to answer that Objection. For who can be greater Traytors than those who have ruined their Country? by which the King is highly prejudiced. I will make no Comparisons with former Times and Persons; but, sure, never were a worse Set of People. There is one other Objection, that what I propose may seem invading Property: Sure none will say, if he is robbed, That because he is dispossessed of his Money, that it is the other's Property: Nay, I believe, he would endeavour to get his Money, and hang the Thief, if he could. The last Objection, I can think of, to be made, will



will carry some Weight; viz. To oblige a Man to inform against himself. I own, I shall be always tender in desiring such Examples; but upon very extraordinary Cases, extraordinary Methods are used; and therefore, *Bankrupts* are obliged to give up all they have, upon Oath; and if they shall abscond to avoid giving the Information, they may be prosecuted Criminally: And are not these a worse People, who have made many *Bankrupts*? And must they not be called to Account?

Sir *Thomas Cooke*, altho' a Member of the House of Commons, was, by a Committee of both Houses, examined upon Oath, of the Disposals of Money for the Old *East-India* Company; and not having given a full Satisfaction, a *Bill* passed to confine him a Prisoner in the *Tower* till the next Sitting of Parliament. And several Others were examined upon that Subject. And *Goldsmiths* Accompts were likewise examined, as may be seen in the *Lords Journal* of 1695.

Sir *Charles Duncomb*, for an Abuse of about an 100 *l.* (a small Matter as Times now go) in *Exchequer-Bills*, was Censured; and a *Bill* passed the House of Commons, to take from him the greatest Part of his Estate; and but by one Vote it did not pass the Lords House. The then Reason for the *Bill* was, That he being in a Publick Station, and putting an Abuse on the Publick, could not be too severely treated: Nay, the Expressions then used, were, *As he came from Nothing, to the Dung-bill*



*bill let him go.* And shall it now be reckoned hard Usage to inquire after Millions?

Should not the *South-Sea* Company's Funds in the *Exchequer* be liable to pay their Bonds? And should not they be limited to a certain Sum, and not left at Liberty to make what Bonds they please? whereby as many People may be ruined by taking their Bonds, as have been undone by buying their Stock.

Should not the Act be annulled that constitutes the *South-Sea* Company, a Company, altho' their Fund should be paid off? For, if something be not done herein, they may hereafter act the Part of the *Dog in the Manger*, and prove near as prejudicial to the Trade of the Nation, as their late *Stock-fobbing* hath done at this present Time; crying out, That their Property will be invaded, if the Trade be opened.

Should not all Trading Societies, acting by Acts of Parliament, or under any Charter, be obliged to make Two Publick Sales every Year, by the Candle, and no otherwise, of what Goods or Merchandize their Charters are granted for, or that they Trade in? And that they make no Private Sales, or retale any Goods or Merchandize whatsoever? And that no Lot be put up for Sale under 100 *l.* Value, nor none exceeding 600 *l.* Value, as is practised by the *East-India* Company? And that making Default herein, their Charter shall be void; and

and those that shall after act thereon, be guilty of some Penalty?

Should those People (who, by all but Themselves, will be owned, that they have acted contrary to the Trust reposed in them, and to the Hazard of the Peace of the Nation) be Impeached by Parliament of High Crimes and Misdemeanors; can any one believe or think, that they could clear themselves? And if they cannot, pray then, where is the Hardship upon them only to take from them their Unjust Gain, and leave their Persons clear? Whereas, if found guilty of High Crimes and Misdemeanors, their Estates are Forfeited, and their Persons to be Confined during the King's Pleasure.

*I am, S I R,*

14 December, 1720.

*Your most Humble Servant.*

*P. S.* In 1708. when the *Bank* were Ingrafted upon, they valued their Stock but at 115 *l.* for 100 *l.* Stock; and I see no Reason to value the *South-Sea* higher, but only to have all People agree with my Proposal, for settling Peoples Minds, that Credit may revive.

*F I N I S.*